VZCZCXYZ0004 RR RUEHWEB

DE RUEHNK #0608 2640917
ZNR UUUUU ZZH
R 210917Z SEP 09
FM AMEMBASSY NOUAKCHOTT
TO RUEHC/SECSTATE WASHDC 8785
INFO RUEHBP/AMEMBASSY BAMAKO 0320
RUEHCV/AMEMBASSY CARACAS 0013
RUEHLO/AMEMBASSY LONDON 0854
RUEHNM/AMEMBASSY NIAMEY 3302
RUEHFR/AMEMBASSY PARIS 1212

UNCLAS NOUAKCHOTT 000608

SENSITIVE SIPDIS

E.O. 12958: N/A

TAGS: ECIN ENRG EIND PREL MR

SUBJECT: VENEZUELA ANNOUNCES PLANS TO CONSTRUCT AN OIL

REFINERY IN MAURITANIA

- 11. (U) In a statement released by the Venezuelan Ministry of Information and covered widely in the Mauritanian press, Venezuelan President Hugo Chavez announced that Venezuela reached an agreement with the GIRM to build a refinery in Mauritania capable of processing 30,000 to 40,000 barrels of crude oil per day, well above the current estimated Mauritanian crude oil production of 9,000-12,000 barrels per day.
- 12. (SBU) In the announcement, President Chavez noted that this effort is to allow Mauritania to supply domestically produced petroleum as fuel to itself and other countries in West Africa, specifically Niger and Chad. President Chavez implied that should Mauritania not be able to domestically produce the necessary petroleum, imported Venezuelan petroleum could make up the difference, and that this effort will build closer ties between Venezuela and the countries of West Africa which are Venezuelan friends and allies. While covered widely in the Mauritanian press, there has been no official GIRM confirmation of this project; leading one Mauritanian working in the petroleum industry to speculate that the proposal will never become reality, and was announced only as a political statement on behalf of the Venezuelans to carry favor with President Aziz and the general public in Mauritania. If indeed there is an agreement, it would likely be officially announced when President Aziz visits Venezuela next week for the Second African and South American Relations Conference, to be hosted by President Chavez. Political analysts have suggested Aziz is reaching out to Chavez to pressure Western donors to move faster in restarting development assistance.
- ¶3. (SBU) Mauritania's sole refinery in Nouadhibou has been out of service for years and, according to a recent US Coast Guard port inspection team, is an environmental hazard. Politicians from the northern regions have pushed for the refinery to be refurbished, but most petroleum observers have termed the existing plant too dilapidated and out-dated to be usefully revamped. Mauritania has considered the idea of building a new refinery on previous occasions, most recently in 2008 when the Abdallahi government announced that the Canadian company Winfield Resources was granted a license to construct a 300,000 barrel per day refinery. That project has since been abandoned following the coup d'etat that brought President Aziz to power.